potential of the adjoining villages within a radius of 15 kms. of the particular town as well as large rural complex around big villages having a population of 10000 and above and potential rural areas around large towns. Accordingly, 43 potential locations have been identified in Gujarat. Most of these locations would embrace the rural areas.

**New Oil Exploration Licencing Policy**

1370. SHRI RAMDAS AGARWAL:
SHRI AKHILESH DAS:
SHRIMATI JAYANTI PATNAIK:

Will the PRIME MINISTER be pleased to state:

(a) whether new oil exploration licencing policy, which souhgt to provide up-to-date information of areas to be explored, by maps to the investing companies, has been under consideration;

(b) whether the Prime Minister also hinted privatisation in the oil exploration sector, as reported in the Hindustan Times dated the 18th February, 1997;

(c) if so, what are the details thereof and whether the policy is likely to be placed before the Parliament during the Budget Session;

(d) whether any offer from investors have been received; and

(e) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PERTROLEUM & NATURAL GAS (SHRI T. R. BAALU): (a) to (c) Government has recently announced a new exploration licencing policy for the oil and gas sector. The salient features of this Policy are:—

— Open availability of exploration acreages in addition to existing bidding rounds.

— ONGC and OIL to compete for obtaining exploration licences with other Pvt. Sector Companies.

—ONGC and OIL to be provided a level playing field by providing the same fiscal and contract terms as available for private companies

—Special fiscal package to encourage exploration in deep water and frontier areas.

—Freedom to contractors for marketing of crude oil and gas in the domestic market.

—Exemption from payment of petroleum exploration licences fee/ area rentals.

—No compulsory state participation through ONGC and OIL.

(d) No, Sir. The policy has just been announced.

(e) Does not arise.

**Irregularities in the Tenders of Oil Companies**

1371. SHRI PARMESHWAR KUMAR AGARWALLA: Will the PRIME MINISTER be pleased to state:

(a) whether Government's attention has been drawn to the newsitem which appeared in the Hindustan Times dated the 21st Decemer, 1996 under the caption "No level-playing fied for national oil firms: CAG";

(b) if so, what are the details regarding various allegations, particularly regarding lack of proper tender evaluation, not reading the bids in the presence of bidders, non-disclosure of highest share of project NPV to Government, evaluation of bids on lowest of estimates, production sharing, reimbursement of cost, and Government's reaction in the matter; and

(c) what action has been taken after submission of CAG report, including against the personnel involved?

THE MINISTER OF STATE IN THE MINISTRY OF PERTROLEUM & NATURAL GAS (SHRI T. R. BAALU): (a) The newsitem "No level playing field for national oil firms: CAG" appeared in the Economic Times dt. 21.12.96.

(b) and (c) CAG in their final report No. 5 (Commerical) of 1996 on